



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 17, 2008

### **H.R. 5522** **Combustible Dust Explosion and Fire Prevention Act of 2008**

*As ordered reported by the House Committee on Education and Labor on April 9, 2008*

H.R. 5522 would require the Secretary of the Department of Labor (DOL) to issue regulations intended to protect workers from combustible dust explosions and fires. The bill would require the Secretary to issue interim standards and a final standard no later than 90 days and 18 months after enactment, respectively.

#### **ESTIMATED COSTS TO THE FEDERAL GOVERNMENT**

Based on information provided by the Occupational Safety and Health Administration (OSHA) and other safety analysts, CBO estimates that implementing H.R. 5522 would cost \$1 million in fiscal year 2009 and \$41 million over the 2009-2013 period. These costs consist of \$1 million in 2009 for economic and feasibility studies to support the development of the final standard, and \$10 million a year—about a five percent increase in OSHA's enforcement workload—beginning in 2010 for enforcement of the final standard. Enacting the bill would not affect revenues or direct spending.

#### **IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

Under current law, state laws governing occupational and health issues are preempted if they deal with the same subject matter regulated by OSHA. At least two states have implemented or are in the process of implementing standards to prevent combustible dust explosions. The standards in those states would be preempted by regulations promulgated under H.R. 5522. In order to maintain their own standards, the states would be required to demonstrate to OSHA that the state standards will be at least as effective as the standards promulgated by OSHA. If the state standards are determined to be less effective, the federal standards would apply. Preempting such state standards would be an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA). Because the preemption would simply prohibit the application of state law, CBO estimates that the costs of the mandate would not

be significant and would not exceed the threshold established by UMRA (\$68 million in 2008, adjusted annually for inflation).

States may enforce federal job safety and health standards if they do so under an agreement with OSHA; currently, 26 states operate such programs. Those states might incur costs to administer and enforce the new standards that OSHA would be required to promulgate under the bill. However, those costs would be incurred as a result of their voluntary participation in a federal program, and half of those costs would be reimbursed through matching grants from the federal government under an existing program.

## **IMPACT ON THE PRIVATE SECTOR**

By requiring OSHA to issue rules regulating combustible dust hazards, the bill would impose private-sector mandates on employers at industrial establishments that manufacture, process, or otherwise handle materials that produce combustible dusts. The cost of those mandates is uncertain because it would depend on the rules to be established under the bill. Additionally, some employers already comply with safety requirements or voluntary industry standards that may overlap to some extent with the rules that would be developed by OSHA to address combustible dust hazards. Therefore, CBO cannot determine whether the aggregate costs of mandates in the bill would exceed the annual threshold established in UMRA for private-sector mandates (\$136 million in 2008, adjusted annually for inflation).

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